

2013 BUSINESSOWNERS MULTISTATE FORMS REVISION ADVISORY NOTICE TO POLICYHOLDERS

This is a summary of the major changes to your policy. No coverage is provided by this summary nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the policy and this summary, **THE PROVISIONS OF THIS POLICY SHALL PREVAIL.**

The areas within the policy that broaden or reduce coverage, and other changes, are highlighted below. This notice does not reference every editorial change made in your policy.

BUSINESSOWNERS COVERAGE FORM NAE-AMS-000 (07/13)

SECTION I – PROPERTY BROADENINGS OF COVERAGE

Business Personal Property – Coverage Radius

The Business Personal Property coverage grant is revised to extend coverage 100 feet from the building or 100 feet from the described premises.

Vegetated Roofs

Property Not Covered is revised to make an exception for lawns, trees, shrubs and plants which are part of a vegetated roof, thereby treating such property as an insured part of the building, so that an existing vegetated roof can be replaced with like kind in the event of a loss, subject to policy terms and certain limitations. Accordingly, lawns, trees, shrubs and plants which are part of a vegetated roof are no longer covered under the more limited Outdoor Property Coverage Extension. The Limited Coverage For Fungi, Wet Rot Or Dry Rot Additional Coverage is revised to expressly state that the coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

Electronic Data In Building Equipment

Property Not Covered is revised to make an exception for electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system. Such electronic data is now Covered Property and is subject to the policy's full limits of insurance for a loss not otherwise excluded. The Electronic Data and Interruption Of Computer Operations Additional Coverages are revised to reinforce that coverage does not apply to such electronic data.

Debris Removal

The additional Limit of Insurance for debris removal expense, provided for under the Debris Removal Additional Coverage, is increased from \$10,000 to \$25,000.

Further, coverage for debris removal is expanded to include the expense of removing debris of certain property of others. The total expense for all debris removal is subject to the limitations stated in the policy concerning amount of coverage, including the aforementioned additional limit of insurance. However, when no Covered Property sustains direct physical loss or damage, coverage for the removal of debris of others' property is limited to \$5,000.

The Outdoor Property Coverage Extension is revised to include debris removal expense for trees, shrubs and plants that are the property of others, except trees, shrubs and plants owned by the landlord of an insured tenant.

Related Change: Debris Removal Additional Insurance Endorsement **BP 14 09** makes reference to the aforementioned \$25,000 limit.

Business Income Additional Coverage – Extended Business Income

The number of days' coverage under the Extended Business Income provision is increased from 30 to 60 days.

Business Income From Dependent Properties Additional Coverage – Secondary Dependent Properties

Coverage is extended with respect to secondary dependent properties which are limited to direct suppliers and recipients of the dependent property's materials or services.

Business Personal Property Temporarily In Portable Storage Units Coverage Extension

A Coverage Extension for Business Personal Property Temporarily In Portable Storage Units is introduced. Under this Coverage Extension, a 90-day coverage period is provided for Business Personal Property temporarily stored in a portable storage unit located within 100 feet of the described premises, subject to a sub-limit of \$10,000 regardless of the number of storage units.

NOTE TO INSURER: Property in a storage unit is not explicitly addressed in the current policy. Thus, the Coverage Extension generally represents a broadening of coverage. However, if an insurer previously treated property in a storage unit as property in the open, this change might be construed as a limitation in coverage due to the sub-limit and terms of coverage.

Dishonesty Exclusion

The Dishonesty Exclusion is revised to distinguish between those who have a role in the insured's business (partners, managers, employees, etc.) and others to whom property may be entrusted (a category that includes tenants and bailees, for example). With respect to the latter category, the exclusion is narrowed to apply only to theft. Further, the exception to the exclusion (which enables coverage for acts of destruction) is revised to extend applicability to authorized representatives.

Specified Causes Of Loss Property Definition

Coverage for water damage under the definition of "specified causes of loss" is expanded to include accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of certain off-premises systems due to wear and tear.

REDUCTION IN COVERAGE

Limitations

The limitations which pertain to loss or damage to the interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust are extended to apply to personal property in the building or structure.

Newly Acquired Or Constructed Property Coverage Extension

Under the Newly Acquired Or Constructed Property Coverage Extension, the provision which extends an additional limit of insurance to newly acquired business personal property at the described premises is removed. There is no change to the coverage for newly acquired business personal property at newly acquired locations or at newly constructed or acquired buildings at the described location.

Employee Dishonesty Optional Coverage

An exclusion is introduced to the Employee Dishonesty Optional Coverage to address acts of employees learned of by the insured prior to the policy period.

OTHER CHANGES

Business Personal Property

The Business Personal Property coverage grant is revised to make it explicit that business personal property is covered when located in or on the buildings or structures at the described premises.

Covered Causes Of Loss – Risk Of Loss

The term "risk of" is removed from the Covered Causes Of Loss provision.

Fire Department Service Charge Additional Coverage

The Fire Department Service Charge Additional Coverage is revised to specify that the amount of such coverage (\$2,500 or a designated higher limit) applies to each premises described in the Declarations. Further, the language of the coverage provision is revised to make it explicit that the designated limit applies regardless of the number of responders or the number or type of services performed.

Business Income And Extra Expense Additional Coverages – Coverage Radius

In part, the coverage criteria for the Business Income and Extra Expense Additional Coverages relate to loss or damage to personal property in the open or in a vehicle within a certain distance from the described premises. The language relating to the coverage radius is revised to achieve more similarity between the radius outlined for insureds who are occupants of the entire premises and those who occupy only a part of the premises, and to use terminology similar to that used in the Business Personal Property coverage grant.

Ordinance Or Law Exclusion

The language of the Ordinance Or Law Exclusion, which relates to enforcement of an ordinance or law, is revised to also refer to compliance with an ordinance or law.

Similar references are revised in the Increased Cost Of Construction (ICC) and Business Income From Dependent Properties Additional Coverages, Loss Payment Condition and the Period of Restoration definition. Further, the ICC Additional Coverage is revised to explicitly refer to compliance with the minimum standards of an ordinance or law.

Temporary Or Leased Employees

The Personal Effects Coverage Extension, the Dishonesty Exclusion and the Money And Securities Optional Coverage are revised to reinforce that employees include temporary or leased employees.

Business Income From Dependent Properties Additional Coverage

The Business Income From Dependent Properties Additional Coverage is revised to provide coverage with respect to secondary dependent properties. Such properties are defined within this Additional Coverage.

Additionally, the definition of dependent property excludes various utility providers; the list of utilities is updated to make reference to wastewater removal services. With respect to Business Income Coverage, loss caused by interruption in utility service is addressed in Endorsement **BP 04 57**. Refer to the item titled Utility Services – Time Element Endorsement **BP 04 57**.

Earth Movement Exclusion

The Earth Movement Exclusion now makes explicit reference to earth movement caused by an act of nature or otherwise caused. In addition, the term earthquake now incorporates tremors and aftershocks.

With respect to coverage for volcanic action (which is a limited exception to the exclusion of volcanic eruption), all such eruptions that occur within any 168-hour period constitute a single occurrence.

Loss Payment Property Loss Condition

The Loss Payment Property Loss Condition is editorially revised and an illustrative example is provided.

SECTION III – COMMON POLICY CONDITIONS

OTHER CHANGES

Other Insurance Condition

The Other Insurance Condition is editorially revised.

ENDORSEMENTS

BROADENINGS OF COVERAGE

BP 14 83 – Employee Dishonesty – Named Employee(s)

This new endorsement provides an exception to an exclusion contained in the Employee Dishonesty Optional Coverage. It may be used to schedule a certain employee(s) that is known to have previously committed theft or any other dishonest act prior to the effective date of the policy. The scheduled employee(s) would no longer be subject to the exclusion under the Employee Dishonesty Optional Coverage.

BP 17 02 – Condominium Commercial Unit-owners Coverage

This endorsement is revised to convey that coverage extends 100 feet from the building or 100 feet from the described premises, whichever distance is greater. Additionally, this endorsement is revised to include leased personal property which the Named Insured has a contractual responsibility to insure as Business Personal Property.

BP 17 03 – Condominium Commercial Unit-owners Optional Coverages

This endorsement is revised to provide the means for selecting a limitation (sub-limit) over \$1,000 for assessments that result from a deductible in the insurance purchased by the condominium association. Coverage is broadened if a sub-limit over \$1,000 is entered in the Schedule of the endorsement.

REDUCTION IN COVERAGE

None

OTHER CHANGES

BP 04 30 – Protective Safeguards

This endorsement is revised by the addition of a symbol and description to recognize hood-and-duct fire extinguishing systems.

BP 04 46 – Ordinance Or Law Coverage

This endorsement is revised to reflect the revisions made to the Ordinance Or Law Exclusion in the Businessowners Coverage Form.

BP 04 53 – Water Back-up And Sump Overflow

This endorsement is revised to reinforce that coverage under this endorsement does not apply when sump pump failure is caused by or results from power failure unless the policy is endorsed to cover power failure.

The endorsement is also revised to indicate that, for the purposes of this endorsement, the term drain includes a roof drain and related fixtures.

BP 04 84 – Functional Building Valuation

This endorsement is revised to reflect the revisions made to the Ordinance Or Law Exclusion in the Businessowners Coverage Form.

BP 14 75 – Increased Cost Of Loss And Related Expenses For Green Upgrades

The Schedule of this endorsement is revised to facilitate identification of personal property (when not all personal property is to be covered for Green Upgrades) and to facilitate the entry of different percentage selections for the building and personal property.

Paragraphs **B.1.a.** and **B.1.b.** are revised to simplify the calculation described therein, with no change in the outcome. Paragraph **B.1.d.** is added to explicitly address the situation in which the property loss is less than the deductible.

The provisions of former Paragraph **B.10.**, concerning vegetated roofs, are incorporated into the Businessowners Coverage Form, as discussed in the Vegetated Roofs item.

BP 17 02 – Condominium Commercial Unit-owners Coverage

This endorsement is revised to make it explicit that Business Personal Property is covered when located in or on the buildings or **structures** at the described premises.

BUSINESSOWNERS ENHANCEMENT ENDORSEMENT POLICYHOLDER NOTICE

No coverage is provided by this policyholder notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your declarations page for complete information on the coverage you are provided. If there is any conflict between the policy and this notice, the provisions of the policy shall prevail.

This notice has been prepared in conjunction with the implementation of changes to your policy. This notice provides information concerning insurance coverage under the Businessowner policy. It contains a brief synopsis of a new endorsement to your policy. This notice does not reference every editorial change made to the endorsements included in your policy.

Please read your policy, and the endorsements attached to your policy, carefully.

The following is a summary of enhancements to Coverage, Limits and/or Terms.

Fire Department Service Charge	\$25,000
Business Income	Period of Restoration Increased to 18 Consecutive Months
Business Income - Ordinary Payroll	Period of Restoration Increased to 120 Days
Business Income - Ordinary Payroll	Includes Officers, Executives, and Managers
Extra Income Expense	Period of Restoration Increased to 18 Consecutive Months
Pollutant Clean up and Removal Coverage	\$25,000
Increased Cost of Construction	25% of Building or \$100,000 which ever is less
Business Income From Dependent Properties	\$50,000
Fire Extinguisher Systems Recharge Expense	\$25,000
Arson or Vandalism Reward for Information	\$5,000
Spoilage	\$25,000
Water Damage	\$25,000
Interruption of Utility Services or Off-Premises Power Failure- Loss or Damage	\$25,000
Interruption of Utility Services or Off-Premises Power Failure- Time Element	\$25,000
Earthquake Sprinkler Leakage	\$10,000
Newly Acquired Or Constructed Property	Extended from 30 to 60 days
Personal Property Off Premises	\$250,000
Outdoor Property	\$50,000
Outdoor Property - Plants	\$1,000 each / \$10,000
Outdoor Property - Signs	\$25,000
Personal Effects at the Described Premises	\$25,000
Valuable Papers and Records at the Described Premises	\$25,000
Valuable Papers and Records Not at the Described Premises	\$10,000
Account Receivable at the Described Premises	\$50,000
Account Receivable Not at the Described Premises	\$25,000
Lock and Key Replacement	\$2,500



**NORTH AMERICAN
ELITE INSURANCE COMPANY**
650 Elm Street
Manchester, NH 03101-2524
(800) 542- 9200

BUSINESSOWNERS PROPERTY POLICY DECLARATIONS

PRODUCER:

04026-ZW
AMS Insurance Services, Inc
PO Box 8507
Santa Cruz, CA 95061-8507

POLICY NUMBER: CWB0009624-03 - 26938

NAME OF INSURED AND MAILING ADDRESS:

East Phillips Improvement Coalition, Inc.*
821 E. 35th Street
Minneapolis, MN 55407

SEE SCHEDULE NI FOR FULL NAMED INSURED

POLICY PERIOD: FROM: 07/08/2013 TO: 07/08/2014

AT 12:01 A.M.* STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

*Exceptions: 12:00 noon in Maine, Michigan, North Carolina and Virginia

BUSINESS DESCRIPTION: Revitalizes neighborhoods in Minneapolis

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS
POLICY, WE AGREE WITH YOU TO PROVIDE THE COVERAGE AS STATED IN THIS POLICY.**

(See SCHEDULE A for applicable coverage information & limits)

SECTION I - PROPERTY

POLICY DEDUCTIBLE: \$ 500

BUILDINGS

\$3,499

BUSINESS PERSONAL PROPERTY (BPP)

\$317

OPTIONAL COVERAGES:

Optional Coverages/Deductible - \$500

Optional BOP Enhancement Endorsement (NAE-AMS-002)

\$382

Miscellaneous Inland Marine Coverage

\$423

Terrorism Coverage (Certified Acts):

Not Covered

SECTION II - LIABILITY

N/A (Not Available in this Policy)

TOTAL PREMIUM

\$4,621

FORM(S) AND ENDORSEMENT(S) MADE A PART OF THIS POLICY AT TIME OF ISSUE:

BP 12 03 01 10, NAE-AMS-000 07 13, NAE-AMS-002 07 13, NAE-AMS-003 10 02, NAE-AMS-011 01 08, NAE-AMS-021 04 08,
NAE-AMS-032 07 13, NAE-AMS-033 07 13, NAE-AMS-DEC 10 02, SCHEDULE A 10 02, SP 38 81 03 07, SP 56 94 10 12,

AUTOMATIC INCREASE IN INSURANCE : 8%

Named Insured Representative

Nonprofit Insurance Advisors
2314 University Ave W Suite 20
Saint Paul, MN 55114
(651) 757-3095

COUNTERSIGNATURE USE ONLY :

Countersigned at : _____ By: _____ Date : _____

Issuing Office : Santa Cruz
NAE-AMS-DEC (10/02)

Issued Date : 07/10/2013

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**NORTH AMERICAN ELITE INSURANCE COMPANY
BUSINESSOWNERS PROPERTY POLICY
EXTENSION OF DECLARATIONS
SCHEDULE A**

POLICY NUMBER: CWB0009624-03 - 26938
AGENCY NAME: East Phillips Improvement Coalition, Inc.*

Loc	Bldg	Coverage	Address	Class Code	Limit	Premium
1	1	Building (Replacement Cost) Business Personal Property	821 E. 35th Street Minneapolis, MN 55407	65121	\$600,000 \$7,000	\$1,698 \$51
2	1	Business Personal Property	2949 Chicago Ave. S Minneapolis, MN 55404	65121	\$25,000	\$131
2	2	Business Personal Property	2949 Chicago Ave. S Minneapolis, MN 55404	65121	\$3,000	\$22
3	1	Building (Replacement Cost) Business Personal Property	3451 Cedar Ave. South Minneapolis, MN 55407	65121	\$250,000 \$20,000	\$1,031 \$113
4	1	Building (Replacement Cost)	2539 Irving Ave. N Minneapolis, MN 55418	65121	\$150,000	\$770

MISCELLANEOUS INLAND MARINE COVERAGE SCHEDULE: (NAE-AMS-003)

Description of Property	Limit	Premium
Computers and electronic equipment	15,000	282
Outdoor Artwork 10 4 X 4 Mosaic Panels	20,000	141

Deductible: \$ 500

Note: The minimum premium for Inland Marine is \$100

LOSS PAYEES / MORTGAGEES SCHEDULE:

Loc	Bldg	Loss Payee (Name & Address)	Provision Applicable (Indicate Paragraph A, B, C or D)
1	1	Franklin National Bank	B
2	1	Franklin National Bank	B
2	2	Franklin National Bank	B



**NORTH AMERICAN
ELITE INSURANCE COMPANY**
650 Elm Street
Manchester, NH 03101-2524
(800) 542- 9200

SCHEDULE NI

POLICY NUMBER: CWB0009624-03

THE NAMED INSURED IS AS FOLLOWS:

East Phillips Improvement Coalition Inc., Audubon Neighborhood Association, Bryant Neighborhood Organization, Central Area Neighborhood Development Organization, Citizens for a Loring Park Community, Corcoran Neighborhood Organization, Elliot Park Neighborhood, Inc., Field, Regina, Northrop Neighborhood Group, Heritage Park Neighborhood Association, Holland Neighborhood Improvement Association, Jordan Area Community Council, Kingfield Neighborhood Association, Logan Park Neighborhood Association, Longellow Community Council, Midtown Phillips Neighborhood Association, Northside Residents Redevelopment Council, Powderhorn Park Neighborhood Association, Seward Neighborhood Group, St. Anthony East Neighborhood Association, Windom Park Citizens in Action, Cleveland Neighborhood Association, East Harriet Farmstead Neighborhood Association, Betrami Neighborhood Council

07/10/2013

BY

Pamela C. D.

(AUTHORIZED REPRESENTATIVE)

"NOTICE : This Policy is issued by your risk retention group. Your risk retention group may not be subject to the insurance laws and regulations of your State. State insurance insolvency guaranty funds are not available for your risk retention group."



NORTH AMERICAN ELITE INSURANCE COMPANY
INDEX OF FORMS ATTACHED TO THE POLICY
POLICY NUMBER: CWB0009624-03

NAME OF INSURED: East Phillips Improvement Coalition, Inc.*
*SEE SCHEDULE NI FOR FULL NAMED INSURED

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PROPERTY FORMS AND ENDORSEMENTS

FORM NUMBER/EDITION DATE

Loss Payable Provision	BP 12 03 01 10
Businessowners Coverage Form	NAE-AMS-000 07 13
BOP Enhancement Endorsement	NAE-AMS-002 07 13
Businessowners Miscellaneous Inland Marine Coverage	NAE-AMS-003 10 02
Exclusion of Certified Acts of Terrorism	NAE-AMS-011 01 08
Exclusion of Other than Certified Acts of Terrorism	NAE-AMS-021 04 08
Minnesota Changes	NAE-AMS-032 07 13
Minnesota Changes - Cancellation	NAE-AMS-033 07 13
Businessowners Property Policy Declarations	NAE-AMS-DEC 10 02
Businessowners Property Policy Extension of Declarations Schedule A	SCHEDULE A 10 02
NAE Signature Form	SP 38 81 03 07
International Trade or Economic Sanctions	SP 56 94 10 12